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Secret Papers Key to Embezzlement Case

West Palm Beach, Fla.—Justice and Defense departments and other government agencies will decide by July 18 whether to allow secret military information to be used in the defense of an embezzlement indictment or to drop charges against an accused retired Air Force major general.

Maj. Gen. Richard B. Collins has been charged with six counts of embezzlement involving \$445,000 in government funds. The incidents are alleged to have taken place while he was director of Plans and Policy, Headquarters, U. S. European Command in Stuttgart, Germany, in 1978.

Collins' attorneys said that in his Stuttgart assignment, he was in charge of funding Central Intelligence Agency and military intelligence operations in Europe. They said secret documents and other intelligence information will show Collins did not steal the money but that he used it for these activities.

U. S. District Judge James C. Paine, who will hear the case, has issued a sealed order ruling that the secret material is relevant to the case. His order allows use of this material in Collins' defense. The case has been docketed for July 18 in the District Court here, which has jurisdiction over Ft. Lauderdale, Collins' residence.

Paine said the trial will be conducted in open court. Federal agencies have the option of either dropping the charges or allowing secret material to be used in the defense.

Collins, 53, retired in 1978 after a career as a fighter pilot and in staff jobs. He was deputy director for plans and policy in the Air

Force Directorate of Plans in the Pentagon, and was director of plans and policy at the European Command. In both assignments, he was custodian of funds in numbered Swiss accounts and had access to these funds.

Collins held the European Command job for two years before his retirement. The Justice Dept. said his indictment, which was returned earlier this year by a Federal grand jury, reads that he embezzled funds from a numbered U. S. government account in the Swiss Bank Corp. in Geneva on six occasions between Nov. 15, 1977, and his retirement in August, 1978. The charges include embezzling public property while he was on active duty, "a portion of which he retained for his own use."

One of the charges is that he withdrew \$100 in interest from the account, which was the property of the Air Force. The others involve embezzling varying amounts ranging upwards from \$4,000, with the total amounting to \$445,000.

Collins' lawyers contend that the information classified secret is no longer legitimately secret, but release would embarrass the government.

In his last Pentagon job, which lasted from 1974-76, Collins held assignments as deputy assistant, and then assistant, director for joint and national security matters. It was in these posts that he first became custodian of funds for secret purposes.

Collins is a graduate of the Naval Academy and received his Air Force commission in June, 1953.